LETTER OF BUDGET TRANSMITTAL

Date: January 30, 2013

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2013 budget and budget message for BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1 in Weld County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 13, 2012. If there are any questions on the budget, please contact

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Lakewood, CO 80228
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I, Lisa Johnson, Manager of the Beebe Draw Farms Metropolitan District No. 1, hereby certify that the attached is a true and correct copy of the 2013 budget.

By: _____
Name

# BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

## 2013 Budget Message

**Introduction**

The budget reflects the projected spending plan for the 2013 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District.

The current District's assessed value increased by 79.7% to $12,109,790 in 2012 while the assessed value of the property associated with the debt increased by 31.6% to $58,458,070. The District's mill levy remains at 40.000 mills for tax collection in the 2012 fiscal year with 36.000 mills certified to the General Fund and 4.000 mills certified to the Debt Service Fund.

The District was formed in 1986 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements within the District and Beebe Draw Farms Metropolitan District No. 2.

**Budgetary Basis of Accounting**

The District uses Funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. The District's General Fund and Debt Service Funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

**Fund Summaries**

**General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax and expenditures which include district administration, legal services and other expenses related to statutory operations of a local government. The General Fund transfers to Beebe Draw Farms Authority all annual revenues net of certain operating expenditures under the Authority Establishment Agreement.

**Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes administrative costs associated with debt issues. The primary source of revenue comes from property taxes and specific ownership taxes. In 2012, the District entered into a tax-free loan that refunded the Series 1998 General Obligation Bonds. Below is a summary of the District's revised long term debt obligation.

## Summary of Long Term Debt

Beebe Draw Farms Metropolitan District No. 1

$1,090,000 - Series 2012 Tax-Free Loan Refunding

| Maturity of Bonds for the Year(s) Ended December 31, | Principal | Interest | Total |
|---|---|---|---|
| 2013 | 185,000 | 19,398 | 204,398 |
| 2014 | 185,000 | 20,634 | 205,634 |
| 2015 | 190,000 | 16,416 | 206,416 |
| 2016 | 195,000 | 12,084 | 207,084 |
| 2017 | 195,000 | 7,638 | 202,638 |
| 2018 | 140,000 | 3,192 | 143,192 |
| Totals | $1,090,000 | $ 79,362 | $1,169,362 |

**Conservation Trust Fund** is used to account for disbursements of allocated state lottery revenue from the Colorado Department of Local Affairs, based on the District's census. The funds are restricted until such time as the District incurs expenditures for allowable public improvements, including acquisition, development or maintenance of public areas.

**Emergency Reserve**

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3% of the total fiscal year expenditures in the General Fund.

## BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1
### Assessed Value, Property Tax and Mill Levy Information

| | 2011 Actual | 2012 Adopted Budget | 2013 Adopted Budget |
|---|---|---|---|
| **Assessed Valuation** | | | |
| Current District | $ 7,883,590 | $ 6,738,450 | $ 12,109,790 |
| 1998 Debt Property | 27,846,000 | 44,419,120 | 58,458,070 |
| **Mill Levy** | | | |
| General Fund | 33.000 | 35.000 | 36.000 |
| Debt Service Fund | 7.000 | 5.000 | 4.000 |
| Temporary Mill Levy Reduction | - | - | - |
| Refunds and Abatements | - | - | - |
| **Total Mill Levy** | 40.000 | 40.000 | 40.000 |
| **Property Taxes** | | | |
| General Fund | $ 260,158 | $ 235,846 | $ 435,952 |
| Debt Service Fund | - | - | - |
| Debt Service Fund-Dist 2 | - | - | - |
| 1998 Debt Property | 194,922 | 222,096 | 233,832 |
| Temporary Mill Levy Reduction | - | - | - |
| Refunds and Abatements | - | - | - |
| **Actual/Budgeted Property Taxes** | **$ 455,080** | **$ 457,942** | **$ 669,784** |

# BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

## GENERAL FUND
## 2013 ADOPTED BUDGET
### with 2011 Actual, 2012 Adopted, 2012 Amended and 2012 Estimated

| | 2011 Actual | 2012 Adopted Budget | 2012 Amended Budget | 2012 Estimated | 2013 Adopted Budget |
|---|---|---|---|---|---|
| **BEGINNING FUND BALANCE** | - | - | - | - | - |
| **REVENUE** | | | | | |
| Property Taxes | 260,141 | 235,846 | 235,846 | 235,846 | 435,952 |
| Specific Ownership Taxes | 32,740 | 27,477 | 29,000 | 29,000 | 40,187 |
| Interest | 73 | 25 | 75 | 75 | 25 |
| CTF Revenue | 406 | - | - | - | - |
| Other Income | 129 | - | - | - | - |
| Exclusion Cost Reimbursements | 1,381 | - | - | - | - |
| **Total Revenue** | 294,871 | 263,348 | 264,921 | 264,921 | 476,164 |
| **Total Funds Available** | 294,871 | 263,348 | 264,921 | 264,921 | 476,164 |
| **EXPENDITURES** | | | | | |
| Treasurer's Fee | 3,903 | 3,538 | 3,538 | 3,538 | 6,539 |
| Accounting | 5,417 | 2,500 | 4,500 | 4,500 | 2,500 |
| Audit Fees | 5,175 | 6,000 | 6,000 | 6,000 | 6,000 |
| Director's Fees | 200 | 1,000 | 1,000 | 1,000 | 1,000 |
| Payroll Taxes | 105 | 77 | 77 | 77 | 77 |
| Election Costs | - | 9,000 | 8,295 | 8,295 | - |
| Miscellaneous | 462 | 1,500 | 2,000 | 2,000 | 1,500 |
| Insurance and Bonds | - | 1,000 | 3,684 | 3,684 | 4,000 |
| Management | 3,104 | 2,500 | 3,590 | 3,590 | 2,500 |
| Legal | 10,286 | 2,500 | 2,000 | 2,000 | 3,500 |
| Total O&M Expenditures | 28,650 | 29,615 | 34,684 | 34,684 | 27,616 |
| Total Available for Distribution | 266,221 | 233,733 | 230,237 | 230,237 | 448,548 |
| Trans. to Cons. Trust Fund | 4,036 | - | - | - | - |
| Trans. to Auth. - Infrastruct. | 154,636 | - | 127,372 | 133,692 | 274,209 |
| Trans. to Auth. - Amenities | 38,659 | - | 31,843 | 33,423 | 68,552 |
| Transfer to Authority-GF | 29,690 | 225,833 | 63,122 | 63,122 | 91,502 |
| Transfer to Dist. No. 2 | 39,200 | - | - | - | - |
| Total Other | 266,221 | 225,833 | 222,337 | 230,237 | 434,263 |
| **Total Expenditures** | 294,871 | 255,448 | 257,021 | 264,921 | 461,879 |
| Emergency Reserves | - | 7,900 | 7,900 | - | 14,285 |
| **Total Expenditures Requiring Appropriation** | 294,871 | 263,348 | 264,921 | 264,921 | 476,164 |
| **ENDING FUND BALANCE** | - | - | - | - | - |

# BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

## DEBT SERVICE FUND
## 2013 ADOPTED BUDGET
### with 2011 Actual, 2012 Adopted, 2012 Amended and 2012 Estimated

| | 2011 Actual | 2012 Adopted Budget | 2012 Amended Budget | 2012 Estimated | 2013 Adopted Budget |
|---|---|---|---|---|---|
| **BEGINNING FUND BALANCE** | 1,607 | 35,507 | 34,018 | 34,018 | 43,346 |
| **REVENUE** | | | | | |
| Property Taxes | 193,799 | 222,096 | 222,313 | 222,313 | 233,832 |
| Debt proceeds | - | - | 1,100,000 | 1,100,000 | - |
| Property Taxes - Del. Debt | 178,475 | - | - | - | - |
| Interest | 72 | 50 | 1,700 | 1,700 | 50 |
| **Total Revenue** | 372,346 | 222,146 | 1,324,013 | 1,324,013 | 233,882 |
| **Total Funds Available** | 373,952 | 257,653 | 1,358,031 | 1,358,031 | 277,228 |
| **EXPENDITURES** | | | | | |
| Bond Interest | 84,200 | 76,200 | 76,200 | 76,200 | 185,000 |
| Bond Principal | 125,000 | 135,000 | 135,000 | 135,000 | 19,467 |
| Repayment of Series 1998 Debt | - | - | 1,004,638 | 1,004,638 | - |
| Treasurer's Fee | 5,584 | 3,331 | 3,335 | 3,335 | 3,507 |
| Paying Agent Fees | 150 | 150 | 150 | 150 | 150 |
| Cost of Issuance | - | - | 95,362 | 95,362 | - |
| Loan Repayment | 125,000 | - | - | - | - |
| Contingency | - | - | - | - | - |
| Total General and Administrative | 339,934 | 214,681 | 1,314,685 | 1,314,685 | 208,124 |
| **Total Expenditures** | 339,934 | 214,681 | 1,314,685 | 1,314,685 | 208,124 |
| **Total Expenditures Requiring Appropriation** | 339,934 | 214,681 | 1,314,685 | 1,314,685 | 208,124 |
| **ENDING FUND BALANCE** | 34,018 | 42,972 | 43,346 | 43,346 | 69,104 |

# BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

## CONSERVATION TRUST FUND
## 2013 ADOPTED BUDGET
## with 2011 Actual, 2012 Adopted, and 2012 Estimated

| | 2011 Actual | 2012 Adopted Budget | 2012 Estimated | 2013 Adopted Budget |
|---|---|---|---|---|
| **BEGINNING FUND BALANCE** | - | - | 4,036 | 4,537 |
| **REVENUE** | | | | |
| Interest | - | 5 | 1 | - |
| CTF Revenue | - | 500 | 500 | 500 |
| Transfer from General Fund | 4,036 | - | - | - |
| **Total Revenue** | 4,036 | 505 | 501 | 500 |
| **Total Funds Available** | 4,036 | 505 | 4,537 | 5,037 |
| **EXPENDITURES** | | | | |
| Transfer to Dist. No. 2 | - | - | - | - |
| Total Expenditures | - | - | - | - |
| **Total Expenditures** | - | - | - | - |
| **Total Expenditures Requiring Appropriation** | - | - | - | - |
| **ENDING FUND BALANCE** | 4,036 | 505 | 4,537 | 5,037 |